



*United States Attorney
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**FORMER STOCKBROKER PLEADS GUILTY TO
DEFRAUDING FORMER CLIENTS OF MILLIONS**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced that former stockbroker JOSEPH C. KANE, JR., pled guilty today in White Plains federal court to criminal charges arising from the theft of client funds entrusted to him for investment. According to statements made in court, KANE's victims include eight private investors, as well as two charitable institutions, who collectively were defrauded of approximately \$2.5 million. This is Kane's second conviction for fraud charges.

In pleading guilty today to wire fraud and money laundering, KANE admitted that he told individual and institutional clients that he was investing their money in bonds, mutual funds and other documented investments, but really put

their money to different uses, including paying his personal expenses and repaying other victims. When confronted by his victims, KANE made numerous false and misleading representations about their supposed investments. This activity took place between 1998 and September of 2003.

KANE was convicted in 1998 of securities fraud in connection with his dealings with a client at Dean Witter and was sentenced to four years of probation. In 2002, KANE was permanently enjoined from violating the antifraud provisions of the federal securities laws, and in 2003, a \$200,000 civil penalty was imposed on KANE in an action brought by the Securities Exchange Commission.

KANE, 50, of Greenwich, Connecticut, is scheduled to be sentenced before the Honorable Colleen McMahon on December 12, 2005. KANE faces a maximum penalty of 30 years in prison, 6 years of supervised release, a fine and restitution of approximately \$2.5 million.

Mr. GARCIA praised the investigation by the Federal Bureau of Investigation and the Internal Revenue Service, Criminal Investigation Division.

Assistant United States Attorney CYNTHIA K. DUNNE is in charge of the prosecution.

